

AMENDED IN SENATE FEBRUARY 14, 2009

AMENDED IN ASSEMBLY JANUARY 7, 2009

CALIFORNIA LEGISLATURE—2009–10 THIRD EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 2

Introduced by Assembly Member Evans

January 5, 2009

~~An act relating to the Budget Act of 2008. An act to amend Items 3910-004-0226, 3910-004-0281, and 3910-007-0387 of Section 2.00 of the Budget Act of 2003 (Chapter 157 of the Statutes of 2003), and to amend Items 0690-102-0001, 0690-102-0214, 0690-102-0597, 0690-113-0001, 0890-001-0001, 1870-012-0214, 2640-101-0046, 2660-302-0042, 2660-302-0890, 3790-001-0001, 3790-001-6051, 4140-011-0121, 4170-101-0001, 4300-101-0001, 5180-111-0001, 5225-101-0001, 6440-001-0001, 6600-001-0001, 6610-001-0001, 6610-002-0001, 8660-011-0470, 8660-011-0471, 8660-011-0483, and 9210-101-0001 of, and to add Items 2180-011-0067, 2660-013-0042, 3560-011-0347, 3680-011-0516, 3790-011-0263, 3910-011-0226, and 8120-013-0268 to, Section 2.00 of the Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008), and to amend Section 28.00 of, and to add Sections 3.90, 8.25, and 35.10 to, the Budget Act of 2008, relating to the support of state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2, as amended, Evans. Budget Act of 2008: *revisions*.

~~This bill would express the intent of the Legislature to make statutory changes relating to the Budget Act of 2008.~~

The Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008) made appropriations for the support of state government during the 2008–09 fiscal year.

This bill would amend the Budget Act of 2008 to make adjustments to certain items of appropriations. The bill would authorize the Director of Finance to allocate necessary reductions in employee compensation from General Fund items in the amount of \$385,762,000 and from items relating to other funds in the amount of \$285,196,000. The bill would state the intent of the Legislature that reductions in employee compensation will result in General Fund savings of \$1,024,326,000 and other fund savings of \$688,375,000 in the 2009–10 fiscal year.

The bill also would set forth procedures to account for the receipt of federal funds as part of an economic stimulus or similar legislation during the 2008–09 and 2009–10 fiscal years.

The Budget Act of 2003 (Chapter 157 of the Statutes of 2003) makes appropriations for the support of state government during the 2003–04 fiscal year and, among other things, authorizes transfers to the General Fund from certain special funds to be repaid to those funds during the 2nd half of the 2008–09 fiscal year.

This bill would amend the Budget Act of 2003 to extend the time for repayment of those transfers to the 2nd half of the 2009–10 and 2011–12 fiscal years, as specified.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 19, 2008.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 19, 2008, pursuant to the California Constitution.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. *The adjustments to appropriations made by this*
- 2 *act are in addition to the appropriations made in Section 2.00 of*
- 3 *the Budget Act of 2008 (Chapters 268 and 269 of the Statutes of*

2008) and are subject to the provisions of that act, as appropriate, including, as applicable, the provisions of that act that apply to the items of appropriation that are amended by this act. Unless otherwise specified, the references in this act to item numbers refer to items of appropriation in Section 2.00 of the Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008).

SEC. 2. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-102-0001—For local assistance, Office of Emergency		
Services.....		48,794,000
		29,849,000
Schedule:		
(1) 50.20-Victim Services.....	3,916,000	
(2) 50.30-Public Safety.....	44,878,000	
	25,933,000	
Provisions:		
1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.		
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of funds from the Gang Violence Suppression-Curfew Enforcement Strategy Program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Emergency Services.		
4. The Department of Finance shall include a special display table in the Governor's Budget under the Office of Emergency Services that displays, by fund source, component level detail for Program 50, Crim-		

inal Justice Projects. In addition, the Office of Emergency Services, in consultation with the Department of Finance, shall provide a report to the Joint Legislative Budget Committee by January 10 of each year that provides a list of grantees, total funds awarded to each grantee, and performance statistics to document program outputs and outcomes in order to assess the state's return on investment for each component of Program 50 for each of the three years displayed in the Governor's Budget.

SEC. 3. Item 0690-102-0214 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-102-0214—For local assistance, Office of Emergency Services, payable from the Restitution Fund..... 10,000,000

Schedule:

- (1) Grants to cities with heavy gang concentrations..... 3,000,000
- (2) Competitive grants to cities..... 4,500,000
- (3) Competitive grants to community-based organizations..... 2,000,000
- (4) Internet Crimes Against Children Task Force funding..... 500,000

Provisions:

1. All grantees must provide a dollar-for-dollar match to state grant funds awarded from Schedules (1), (2), and (3).
2. The Office of Emergency Services shall submit a report and evaluation of the grants awarded pursuant to Schedules (1), (2), and (3) to the fiscal committees of the Legislature not later than April 1, 2011.
3. ~~The Department of Finance may transfer up to 3 percent of the funds appropriated in Schedules (1), (2), and (3) to Item 0690-002-0001~~ *may be used for administration of the grant programs.*
4. The amount appropriated in Schedule (1) shall be distributed as follows: \$1,000,000 each to Los Angeles, San Francisco Bay area cities, and central valley cities.

5. The amount appropriated in Schedule (2) shall be competitive grants to cities. No grant shall exceed \$500,000, and at least two grants shall be awarded to cities with populations of 200,000 or less. In awarding grants, the Office of Emergency Services shall give preference to applicants that incorporate regional approaches to antigang activities.
6. Each city that receives a grant from Schedule (1) or (2) shall collaborate and coordinate with area jurisdictions and agencies, including the existing county juvenile justice coordination council, with the goal of reducing gang activity in the city and adjacent areas. Each grantee shall establish a coordinating and advisory council to prioritize the use of the funds. Membership shall include city officials, local law enforcement, including the county sheriff, chief probation officer, and district attorney, local educational agencies, including school districts and the county office of education, and community-based organizations.
7. The amount appropriated in Schedule (3) shall be for grants to community-based organizations. The grants shall be used to test different approaches designed to reduce gang activities in communities and neighborhoods. No grant shall exceed \$200,000.

SEC. 4. Item 0690-102-0597 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-102-0597—For local assistance, Office of Emergency Services, payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund.....		11,970,000
		6,982,000
Schedule:		
(1) 50.30-Public Safety.....	11,970,000	
	6,982,000	
Provisions:		
1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal		

Code, as amended by Chapter 555 of the Statutes of 1998, and shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.

2. All grantees receiving funds appropriated in this item shall be required to provide matching funds equal to 25 percent of the amount of grant funding received by them from the High Technology Theft Apprehension and Prosecution Program Trust Fund.
3. Upon order of the Director of Finance, the amount available for expenditure in this item may be augmented by the amount of any additional resources available in the High Technology Theft Apprehension and Prosecution Program Trust Fund, which is in addition to the amount appropriated in this item. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairperson of the committee and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee or his or her designee may determine.

SEC. 5. Item 0690-113-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-113-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund.....	11,970,000
	6,982,000

Provisions:

1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, as amended by Chapter 555 of the Statutes of 1998, and shall be deposited in the High Technology

Theft Apprehension and Prosecution Program Trust
Fund, established pursuant to Section 13848.4 of the
Penal Code.

*SEC. 6. Item 0890-001-0001 of Section 2.00 of the Budget Act
of 2008 is amended to read:*

0890-001-0001—For support of Secretary of State.....	36,380,000
	46,380,000

Schedule:

(1) 10-Filings and Registrations.....	49,025,000
(2) 20-Elections.....	66,483,000
	76,483,000
(3) 30-Archives.....	10,499,000
(4) 50.01-Administration and Technolo- gy.....	23,590,000
(5) 50.02-Distributed Administration and Technology.....	-23,590,000
(6) Reimbursements.....	-7,339,000
(7) Amount payable from the Secretary of State's Business Fees Fund (Item 0890- 001-0228).....	-38,936,000
(8) Amount payable from the Federal Trust Fund (Item 0890-001-0890).....	-41,674,000
(9) Amount payable from the Victims of Corporate Fraud Compensation Fund (Item 0890-001-3042).....	-1,678,000

Provisions:

1. The Secretary of State may not expend any special handling fees authorized by Chapter 999 of the Statutes of 1999 which are collected in excess of the cost of administering those special handling fees unless specifically authorized by the Legislature.
2. Of the amounts appropriated in this item, \$41,674,000 shall be used for operational costs associated with implementation of the Help America Vote Act of 2002 (42 U.S.C. Sec. 15301 et seq.).
3. Of the amount appropriated in this item, \$5,000,000 shall be used for costs associated with the November 4, 2008, statewide general election.

4. *Of the amounts appropriated in this item, \$10,000,000 shall be used to cover the costs incurred by the Secretary of State for the special election to be conducted in 2009. If the Secretary of State incurs costs greater than \$10,000,000 to conduct the special election, the Department of Finance shall have the authority to increase this item by up to \$5,000,000 in order to cover those costs. The Department of Finance shall, within 15 days of authorizing an increase in expenditure authority, report to the Joint Legislative Budget Committee on the authorized amount and the necessity therefor. The Department of Finance shall not authorize an increase in expenditure authority greater than is necessary to cover the costs incurred by the Secretary of State for the special election.*

SEC. 7. Item 1870-012-0214 of Section 2.00 of the Budget Act of 2008 is amended to read:

1870-012-0214—For transfer by the Controller, upon order of the Director of Finance, from the Restitution Fund to the General Fund.....	(50,000,000)
	(80,000,000)

SEC. 8. Item 2180-011-0067 is added to Section 2.00 of the Budget Act of 2008, to read:

2180-011-0067—For transfer by the Controller, upon order of the Director of Finance, from the State Corporations Fund to the General Fund.....	(4,200,000)
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SEC. 9. Item 2640-101-0046 of Section 2.00 of the Budget Act of 2008 is amended to read:

2640-101-0046—For local assistance, State Transit Assistance,
for allocation by the Controller pursuant to Section 99312
of the Public Utilities Code, payable from the Public
Transportation Account, State Transportation Fund..... 306,434,000
153,217,000

Provisions:

1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$60,397 of the amount appropriated in this item shall be used to reimburse the Controller for expenditures of administration of State Transit Assistance funds.
2. *The funds appropriated in this item are in lieu of the funds appropriated in subparagraphs (B) and (C) of paragraph (1) of subdivision (c) of Section 7104.2 of the Revenue and Taxation Code, and paragraphs (2) and (3) of subdivision (e) of Section 99312 of the Public Utilities Code.*

SEC. 10. Item 2660-013-0042 is added to Section 2.00 of the Budget Act of 2008, to read:

2660-013-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Transportation Debt Service Fund to be used as specified in Section 16965 of the Government Code (250,000,000)
Provisions:

1. *The funds transferred by this item shall reimburse the General Fund for debt service payments related to bond expenditures consistent with Article XIX of the California Constitution in the following priority order:*
 - (a) *Debt service payments made in the 2008–09 fiscal year.*
 - (b) *Debt service payments made in the 2007–08 fiscal year and prior fiscal years.*

SEC. 11. Item 2660-302-0042 of Section 2.00 of the Budget Act of 2008 is amended to read:

2660-302-0042—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund..... 747,800,000
647,800,000

Schedule:

(1) 20-Highway Transportation..... 1,797,800,000
 (a) State Highway Operation and Protection Program..... (1,797,800,000)
 (2) Reimbursements..... -1,050,000,000
 -1,150,000,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-101-0042, 2660-102-0042, 2660-301-0042, or 2660-311-0042. These transfers shall require the prior approval of the Department of Finance.
3. The Director of Finance may increase this item pursuant to allocations made from tribal gaming bond revenues no sooner than 30 days after written notification of the allocation is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.
4. No funds appropriated in this item are available for expenditure on specialty building facilities. For the purpose of this item, specialty building facilities are equipment facilities, maintenance facilities, material laboratories, and traffic management centers.
5. ~~The funds appropriated in this item include \$100,000,000 attributable to the tribal gaming revenue collected and deposited in the State Highway Account~~

pursuant to Section 63048.65 of the Government Code. These funds shall only be available for pavement rehabilitation projects programmed in the State Highway Operation and Protection Program (SHOPP), and shall not supplant any other funding available for SHOPP. The first \$100,000,000 of the SHOPP projects allocated using the appropriation provided by this item shall be funded from tribal gaming revenue deposited into the State Highway Account. The Department of Transportation shall monitor the allocation and expenditure of these funds and shall, upon request of the Department of Finance, report on their status.

SEC. 12. Item 2660-302-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

2660-302-0890—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Federal Trust Fund..... ~~1,426,200,000~~
1,526,200,000

Schedule:

(1) 20-Highway Transportation..... ~~1,426,200,000~~
1,526,200,000

(a) State Highway
Operation and
Protection Program..... ~~(1,426,200,000)~~
(1,526,200,000)

Provisions:

1. Notwithstanding any other provision of law, amounts scheduled in this item may be transferred to Item 2660-101-0890, 2660-102-0890, or 2660-301-0890. These transfers shall require the prior approval of the Department of Finance. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010.
2. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.

3. Federal funds may be received from any federal source and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.
4. No funds appropriated in this item are available for expenditure on specialty building facilities. For the purpose of this item, specialty building facilities are equipment facilities, maintenance facilities, material laboratories, and traffic management centers.
5. *Of the funds appropriated in this item, \$100,000,000 is attributable to anticipated federal economic stimulus funding. The Director of Finance may decrease the authority in this item by up to \$100,000,000 if anticipated federal economic stimulus funding is not received.*

SEC. 13. Item 3560-011-0347 is added to Section 2.00 of the Budget Act of 2008, to read:

3560-011-0347—For transfer by the Controller, upon order of the Director of Finance, from the School Land Bank Fund to the General Fund..... (61,000,000)

Provisions:

1. *The amount transferred in this item is a loan to the General Fund. The repayment shall be made so as to ensure that the programs supported by the School Land Bank Fund are not adversely affected by the loan, but no later than June 30, 2013.*

SEC. 14. Item 3680-011-0516 is added to Section 2.00 of the Budget Act of 2008, to read:

3680-011-0516—For transfer by the Controller, upon order of the Director of Finance, from the Harbors and Watercraft Revolving Fund to the General Fund..... (29,000,000)

Provisions:

1. *The amount transferred in this item is a loan to the General Fund. The repayment shall be made so as to ensure that the programs supported by the Harbors*

and Watercraft Revolving Fund are not adversely affected by the loan, but no later than June 30, 2013.

SEC. 15. Item 3790-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

3790-001-0001—For support of Department of Parks and Recreation..... ~~149,124,000~~
138,124,000

Schedule:

- (1) For support of the Department of Parks and Recreation..... 431,099,000
- (2) Reimbursements..... -33,441,000
- (3) Less funding provided by capital outlay..... -4,000,000
- (4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005)..... -5,057,000
- (5) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140)..... -3,023,000
- (6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235)..... -10,098,000
- (7) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263)..... -64,243,000
- (8) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392)..... -123,804,000
- (9) Amount payable from the Winter Recreation Fund (Item 3790-001-0449)..... -353,000
- (10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516)..... -2,168,000
- (11) Amount payable from the Federal Trust Fund (Item 3790-001-0890)..... -6,335,000

1	(12) Amount payable from the California	
2	Main Street Program Fund (Item 3790-	
3	001-3077).....	-175,000
4	(13) Amount payable from the California	
5	Clean Water, Clean Air, Safe Neighbor-	
6	hood Parks, and Coastal Protection	
7	Fund (Item 3790-001-6029).....	-4,555,000
8	(14) Amount payable from the Water Secu-	
9	rity, Clean Drinking Water, Coastal and	
10	Beach Protection Fund of 2002 (Item	
11	3790-001-6031).....	-435,000
12	(15) Amount payable from Safe Drinking	
13	Water, Water Quality and Supply,	
14	Flood Control, River and Coastal Pro-	
15	tection Fund of 2006 (Item 3790-001-	
16	6051).....	-12,020,000
17		-23,020,000
18	(16) Amount payable from Safe Drinking	
19	Water, Water Quality and Supply,	
20	Flood Control, River and Coastal Pro-	
21	tection Fund of 2006 (Item 3790-002-	
22	6051).....	-12,268,000
23	Provisions:	
24	1. Of the funds appropriated by this act from the General	
25	Fund and special funds, other than the Off-Highway	
26	Vehicle Trust Fund and bond funds, to the Department	
27	of Parks and Recreation for local assistance grants to	
28	local agencies, the department may allocate an amount	
29	not to exceed 3.7 percent of each project's allocation,	
30	except to the extent otherwise restricted by law, to al-	
31	low the department to administer its grants. Those	
32	funds shall be available for encumbrance or expendi-	
33	ture until June 30, 2014.	
34	2. It is the intent of the Legislature that salaries, wages,	
35	operating expenses, and positions associated with im-	
36	plementing specific Department of Parks and Recre-	
37	ation capital outlay projects continue to be funded	
38	through capital outlay appropriations, and that these	
39	funds should also be reflected in the department's state	
40	operations budget in the Governor's Budget as a spe-	

- 1 cial item of expense reflecting the funding provided
2 from the capital outlay appropriations.
- 3 3. Notwithstanding any other provision of law, the Direc-
4 tor of Finance may authorize a loan from the General
5 Fund, in an amount not to exceed 35 percent of reim-
6 bursements appropriated in this item to the Department
7 of Parks and Recreation, provided that:
- 8 (a) The loan is to meet cash needs resulting from the
9 delay in receipt of reimbursements for services
10 provided.
- 11 (b) The loan is for a short term and shall be repaid
12 by September 30, 2009.
- 13 (c) Interest charges may be waived pursuant to subdivi-
14 sion (e) of Section 16314 of the Government
15 Code.
- 16 (d) The Director of Finance may not approve the loan
17 unless the approval is made in writing and filed
18 with the Chairperson of the Joint Legislative
19 Budget Committee and the chairpersons of the
20 committees in each house of the Legislature that
21 consider appropriations not later than 30 days
22 prior to the effective date of the approval, or not
23 sooner than whatever lesser time that the chairper-
24 son of the joint committee, or his or her designee,
25 may determine.
- 26 4. The Department of Parks and Recreation is authorized
27 to enter into a contract for fee collection and other
28 services required by the department with a cooperative
29 association that has and will continue to fund state
30 employees on an ongoing basis.
- 31 5. Of the amount appropriated in this item, \$4,001,000
32 General Fund and \$1,000,000 Proposition 84 funds
33 shall be used for continued remediation and treatment
34 activities at Empire Mine State Historic Park. Upon
35 approval and order of the Director of Finance, the
36 Controller shall adjust the amount included in this item
37 for remediation activities at Empire Mine based on
38 the status or result of the mediation between the De-
39 partment of Parks and Recreation and the Newmont
40 Mining Company. Any adjustment for this purpose

may be authorized no sooner than 30 days after written notification to the Chairperson of the Joint Legislative Budget Committee.

6. *Notwithstanding any other provision of law, any expenditures during the 2008–09 fiscal year, up to \$11,000,000, for the purposes of implementing the Department of Parks and Recreation’s multi-year plan to comply with the Americans with Disabilities Act shall only be funded from the appropriation made in Item 3790-001-6051.*

7. *Of the amount appropriated in Schedule (15), \$11,000,000 for the purposes of implementing the Department of Parks and Recreation’s multi-year plan to comply with the Americans with Disabilities Act shall be available for encumbrance or expenditure until June 30, 2011.*

SEC. 16. *Item 3790-001-6051 of Section 2.00 of the Budget Act of 2008 is amended to read:*

3790-001-6051—For support of Department of Parks and Recreation, payable to Item 3790-001-0001, from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	12,020,000
	23,020,000

Provisions:

1. Provision 5 of Item 3790-001-0001 also applies to this item.

SEC. 17. *Item 3790-011-0263 is added to Section 2.00 of the Budget Act of 2008, to read:*

3790-011-0263—For transfer by the Controller, upon order of the Director of Finance, from the Off-Highway Vehicle Trust Fund to the General Fund.....	(90,000,000)
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Provisions:

1. *The amount transferred in this item is a loan to the General Fund. The repayment shall be made so as to ensure that the programs supported by the Off-High-*

1 way Vehicle Trust Fund are not adversely affected by
2 the loan, but no later than June 30, 2013.

3
4 SEC. 18. Item 3910-004-0226 of Section 2.00 of the Budget
5 Act of 2003 is amended to read:

6
7 3910-004-0226—For transfer by the Controller, upon order of
8 the Director of Finance, from the California Tire Recycling
9 Management Fund to the General Fund..... (17,097,000)
10 Provisions:

- 11 1. The transfer made by this item is a loan to the General
12 Fund. Notwithstanding any other provision of law,
13 this loan shall be repaid with interest calculated at the
14 rate earned by the Pooled Money Investment Account
15 at the time of the transfer. It is the intent of the Legis-
16 lature that repayment be made so as to ensure that the
17 programs supported by this fund are not adversely af-
18 fected by the loan.
- 19 2. Notwithstanding any other provision of law,
20 \$2,097,000 of the amount transferred by this item shall
21 be repaid in the second half of the ~~2008-09~~ 2011-12
22 fiscal year, with interest calculated at the rate earned
23 by the Pooled Money Investment Account at the time
24 of the transfer. It is the intent of the Legislature that
25 repayment be made so as to ensure that the programs
26 supported by this fund are not adversely affected by
27 the loan. The Director of Finance may therefore order
28 that repayment be made prior to this date to avoid these
29 adverse effects.

30
31 SEC. 19. Item 3910-004-0281 of Section 2.00 of the Budget
32 Act of 2003 is amended to read:

33
34 3910-004-0281—For transfer by the Controller, upon order of
35 the Director of Finance, from the Recycling Market Devel-
36 opment Revolving Loan Subaccount to the General Fund.... (1,853,000)
37 Provisions:

- 38 1. The transfer made by this item is a loan to the General
39 Fund. Notwithstanding any other provision of the law,
40 this loan shall be repaid in the second half of the

~~2008-09 2011-12~~ fiscal year, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan. The Director of Finance may therefore order that repayment be made prior to this date to avoid these adverse effects.

SEC. 20. Item 3910-007-0387 of Section 2.00 of the Budget Act of 2003 is amended to read:

3910-007-0387—For transfer by the Controller, upon order of the Director of Finance, from the Integrated Waste Management Account to the General Fund (4,768,000)
Provisions:

1. The transfer made by this item is a loan to the General Fund. Notwithstanding any other provision of law, this loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan.
2. Notwithstanding any other provision of law, \$2,768,000 of the amount transferred by this item shall be repaid in the second half of the ~~2008-09~~ 2009-10 fiscal year, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan. The Director of Finance may therefore order that repayment be made prior to this date to avoid these adverse effects.
3. ~~Pursuant to Section 17581 of the Government Code, the mandate identified in the appropriation schedule of this item with an appropriation of \$0 and included in the language of the provision is specifically identi-~~

~~1 fied by the Legislature for suspension during the~~
~~2 2003-04 fiscal year:~~

~~3 (1) 98.01.118.892-Very High Fire Hazard and~~
~~4 Severity Zones (Ch. 1188, Stats. 1992)~~

6 *SEC. 21. Item 3910-011-0226 is added to Section 2.00 of the*
7 *Budget Act of 2008, to read:*

9 3910-011-0226—For transfer by the Controller, upon order of
10 the Director of Finance, from the California Tire Recycling
11 Management Fund to the General Fund (10,000,000)
12 Provisions:

13 1. The amount transferred in this item is a loan to the
14 General Fund. The repayment shall be made so as to
15 ensure that the programs supported by the California
16 Tire Recycling Management Fund are not adversely
17 affected by the loan, but no later than June 30, 2011.

19 *SEC. 22. Item 4140-011-0121 of Section 2.00 of the Budget*
20 *Act of 2008 is amended to read:*

22 4140-011-0121—For transfer by the Controller, upon order of
23 the Director of Finance, from the Hospital Building Fund
24 to the General Fund..... (10,000,000)
25 (20,000,000)

26 Provisions:

27 1. The amount transferred by this item is a loan to the
28 General Fund and shall be repaid by June 30, 2011.
29 It is the intent of the Legislature that repayment be
30 made so as to ensure that the activities supported by
31 the Hospital Building Fund are not adversely affected
32 by the loan.

34 *SEC. 23. Item 4170-101-0001 of Section 2.00 of the Budget*
35 *Act of 2008 is amended to read:*

37 4170-101-0001—For local assistance, Department of Aging.... 42,945,000
38 44,870,000

39 Schedule:

40 (1) 10-Nutrition..... 72,804,000

1	(2) 20-Senior Community Employment	
2	Service.....	7,139,000
3		8,514,000
4	(3) 30-Supportive Services and Centers.....	65,916,000
5		66,466,000
6	(4) 40-Special Projects.....	46,751,000
7	(5) Reimbursements.....	-4,559,000
8	(6) Amount payable from the State HICAP	
9	Fund (Item 4170-101-0289).....	-2,246,000
10	(7) Amount payable from the Federal	
11	Trust Fund (Item 4170-101-0890).....	-141,418,000
12	(8) Amount payable from the Federal	
13	Health Facilities Citation Penalties Ac-	
14	count, Special Deposit Fund (Item 4170-	
15	103-0942).....	-1,442,000
16	Provisions:	
17	1. Notwithstanding Section 26.00, the Department of	
18	Finance, upon notification by the California Depart-	
19	ment of Aging, may authorize transfers between Pro-	
20	gram 10-Nutrition and Program 30-Supportive Ser-	
21	vices and Centers in response to budget revisions	
22	submitted by the Area Agencies on Aging.	
23	2. To the extent the United States enacts a minimum	
24	wage equal to or greater than that of California, state	
25	funding provided in this item for the Senior Commu-	
26	nity Service Employment Program shall revert to the	
27	General Fund.	
28	3. Of the funds appropriated in this item, the Controller	
29	shall reimburse from Program 40-Special Projects,	
30	\$25,258,000 \$22,732,000 upon enactment of the	
31	Budget Act to the State Department of Health Care	
32	Services for support of the Multipurpose Senior Ser-	
33	vices Program.	

SEC. 24. Item 4300-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

38	4300-101-0001—For local assistance, Department of Devel-	
39	opmental Services, for Regional Centers.....	2,382,799,000
40		2,354,099,000

Schedule:

(1) 10.10.010-Operations.....	527,816,000
	521,216,000
(2) 10.10.020-Purchase of Services.....	3,370,854,000
	3,330,454,000
(3) 10.10.060-Early Intervention Pro-	
grams.....	20,095,000
(4) Reimbursements.....	-1,307,587,000
	-1,289,287,000
(5) Amount payable from the Public	
Transportation Account, State Trans-	
portation Fund (Item 4300-101-	
0046).....	-138,275,000
(6) Amount payable from Developmental	
Disabilities Program Development Fund	
(Item 4300-101-0172).....	-1,147,000
(7) Amount payable from Federal Trust	
Fund (Item 4300-101-0890).....	-88,957,000

Provisions:

1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001. Within 10 working days after approval of a transfer as authorized by this provision, the Department of Finance shall notify the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of the transfer, including the amount transferred, how the amount transferred was determined, and how the amount transferred will be utilized.
2. A loan shall be made available from the General Fund to the State Department of Developmental Services not to exceed a cumulative total of \$160,000,000. The loan funds shall be transferred to this item as needed to meet cashflow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and are subject to the repayment provisions of Section 16351 of the Government Code.
3. Upon order of the Director of Finance, the Controller shall transfer funds as are necessary between this item

1 and Item 5160-001-0001 to provide for the transportation costs to and from work activity programs of clients
2 who are receiving vocational rehabilitation services
3 through the Vocational Rehabilitation/Work Activity
4 Program (VR/WAP) Transition Program.

- 5
6 4. \$1,826,000 of the funds appropriated in this item may
7 be used to augment service provider rates for the work
8 needed to obtain information to secure federal participation
9 under the Home and Community-Based Services Waiver program. Eligible providers are those
10 service providers who are qualified providers under
11 Title XIX of the Social Security Act, are not currently
12 providing the required information, and are serving
13 individuals enrolled under the Home and Community-
14 Based Services Waiver program.

- 15
16 5. Notwithstanding Section 26.00, the Department of
17 Finance may authorize transfer of expenditure authority
18 between Schedules (1) and (2) in order to more
19 accurately reflect expenditures in the Early Intervention
20 federal grant program (Part C of the Individuals
21 with Disabilities Education Act).

- 22 6. It is the intent of the Legislature for the State Department
23 of Health Care Services and the State Department
24 of Developmental Services to collaboratively work
25 with stakeholders, including providers and diverse
26 constituency groups as deemed appropriate, regarding
27 the bundling of rates for the reimbursement of intermediate
28 care facilities for the developmentally disabled,
29 including habilitative and nursing facilities. It is the
30 intent of the Legislature that any changes made by the
31 state shall be seamless to the providers of services affected
32 by the changes, as well as to the consumers and
33 their families that are provided services through the
34 Regional Center system. The integrity of the individual
35 program plan process described in the Lanterman Developmental
36 Disabilities Services Act (Division 4.5
37 (commencing with Section 4500) of the Welfare and
38 Institutions Code) shall be maintained throughout this
39 process and shall not be affected by any changes made
40 to implement the bundled rates.

7. Of the funds appropriated in Schedule (2), the amount identified by the State Department of Developmental Services for self-directed services shall be available for encumbrance until June 30, 2010, and for liquidation until June 30, 2011.
8. Upon the order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-103-0001 in order to effectively administer the Self-Directed Services Risk Pool Fund.
9. It is the intent of the Legislature for the California Children and Families Commission to utilize at least \$5,000,000 in funds from any of its accounts for information, services, and supports provided under the Early Start Program as administered by the State Department of Developmental Services. This language is not intended to affect any contingencies or emergencies of which the Department of Finance may choose to notify the Legislature in the 2008–09 fiscal year.

SEC. 25. Item 5180-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-111-0001—For local assistance, Department of Social Services..... ~~5,562,733,000~~
5,482,906,000

Schedule:

(1) 16.70-SSI/SSP.....	3,751,938,000
	3,672,111,000
(2) 25.15-IHSS.....	5,330,297,000
(3) 25.20-Recipient Supplementary Payment.....	44,176,000
(4) Reimbursements.....	–3,563,678,000

Provisions:

1. Provisions 1 and 4 of Item 5180-101-0001 also apply to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$240,000,000 shall be made available from the General Fund from

1 funds not otherwise appropriated, to cover the federal
2 share or reimbursable share, or both, of costs of a
3 program or programs when the federal funds or reim-
4 bursements (from the Health Care Deposit Fund or
5 counties) have not been received by this state prior to
6 the usual time for transmitting payments for the federal
7 or reimbursable share of costs for this state. That loan
8 from the General Fund shall be repaid when the federal
9 share of costs for the program or programs becomes
10 available, or in the case of reimbursements, subject to
11 Section 16351 of the Government Code. County reim-
12 bursements also shall be subject to Section 16314 of
13 the Government Code, which specifies the rate of in-
14 terest. The department may offset a county's share of
15 cost of the In-Home Supportive Services (IHSS) pro-
16 gram against local assistance payments made to the
17 county if the county fails to reimburse its share of cost
18 of the IHSS program to the state.

- 19 3. The State Department of Social Services shall provide
20 technical assistance to counties to ensure that they
21 maximize the receipt of federal funds for the In-Home
22 Supportive Services (IHSS) program, without compro-
23 mising the quality of the services provided to IHSS
24 recipients.
- 25 4. The Director of Finance may authorize the transfer of
26 amounts from this item to Item 5180-001-0001 in order
27 to fund increased costs due to workload associated
28 with the retroactive reimbursement of Medi-Cal ser-
29 vices for the In-Home Supportive Services program
30 to comply with the Conlan v. Shewry court decision.
31 The Department of Finance shall report to the Legisla-
32 ture the amount to be transferred pursuant to this pro-
33 vision and the number of positions to be established
34 by the State Department of Social Services. The
35 transfer shall be authorized at the time the report is
36 made. The State Department of Social Services shall
37 review the workload associated with the Conlan v.
38 Shewry decision during the 2008–09 fiscal year and
39 may administratively establish positions as the work-
40 load requires.

5. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the cost of the administrative hearing process associated with changes in aid or service payments in the In-Home Supportive Services program. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

SEC. 26. Item 5225-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-101-0001—For local assistance, Department of Corrections and Rehabilitation..... ~~246,671,000~~
171,141,000

Schedule:

- (1) 15-Corrections Standards Authority.... ~~182,107,000~~
106,577,000
- (2) 20-Juvenile Operations..... 78,000
- (3) 22-Juvenile Paroles..... 1,403,000
- (4) 25.15.010-Adult Corrections and Rehabilitation Operations—Transportation of Inmates..... 278,000
- (5) 25.15.020-Adult Corrections and Rehabilitation Operations—Return of Fugitives..... 2,593,000
- (6) 25.30-Adult Corrections and Rehabilitation Operations—County Charges..... 16,480,000
- (7) 30-Parole Operations—Adult..... 43,732,000

Provisions:

1. The amount appropriated in Schedules (4), (5), (6), and (7) is provided for the following purposes:
 - (a) To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (Section 11190 of the Penal Code), in

1 accordance with Section 26749 of the Government
2 Code. Claims filed by local jurisdictions shall be
3 filed within six months after the end of the month
4 in which those transportation costs are incurred.
5 Expenditures shall be charged to either the fiscal
6 year in which the claim is received by the Con-
7 troller or the fiscal year in which the warrant is
8 issued by the Controller. Claims filed by local
9 jurisdictions directly with the Controller may be
10 paid by the Controller.

11 (b) To pay the expenses of returning fugitives from
12 justice from outside the state, in accordance with
13 Sections 1389, 1549, and 1557 of the Penal Code.
14 Claims filed by local jurisdictions shall be filed
15 within six months after the end of the month in
16 which expenses are incurred. Expenditures shall
17 be charged to either the fiscal year in which the
18 claim is received by the Controller or the fiscal
19 year in which the warrant is issued by the Con-
20 troller, and any restitution received by the state
21 for those expenses shall be credited to the appro-
22 priation of the year in which the Controller's re-
23 ceipt is issued. Claims filed by local jurisdictions
24 directly with the Controller may be paid by the
25 Controller.

26 (c) To pay county charges, payable under Sections
27 4700.1, 4750 to 4755, inclusive, and 6005 of the
28 Penal Code. Claims shall be filed by local juris-
29 dictions within six months after the end of the
30 month in which a service is performed by the
31 coroner, a hearing is held on the return of a writ
32 of habeas corpus, the district attorney declines to
33 prosecute a case referred by the Department of
34 Corrections and Rehabilitation, a judgment is
35 rendered for a court hearing or trial, an appeal
36 ruling is rendered for the trial judgment, or an
37 activity is performed as permitted by these sec-
38 tions. Expenditures shall be charged to either the
39 fiscal year in which the claim is received by the
40 Controller or the fiscal year in which the warrant

1 is issued by the Controller. Claims filed by local
2 jurisdictions directly with the Controller may be
3 paid by the Controller.

- 4 (d) To reimburse counties for the cost of detaining
5 state parolees pursuant to Section 4016.5 of the
6 Penal Code. Claims shall be filed by local juris-
7 dictions within six months after the end of the
8 month in which the costs are incurred. Claims
9 filed by local jurisdictions may not include
10 booking fees, may not recover detention costs in
11 excess of \$77.17 per day, and shall be limited to
12 the detention costs for those days on which
13 parolees are held subject only to a Department of
14 Corrections and Rehabilitation request pursuant
15 to subdivision (b) of Section 4016.5 of the Penal
16 Code. Expenditures shall be charged to either the
17 fiscal year in which the claim is received by the
18 Department of Corrections and Rehabilitation or
19 the fiscal year in which the warrant is issued.

- 20 2. Notwithstanding any other provision of law, upon 30-
21 day prior notification to the Chairperson of the Joint
22 Legislative Budget Committee, funds appropriated in
23 Schedule (7) of this item may be transferred to
24 Schedule (8) or (9), or both, of Item 5225-001-0001,
25 upon order of the Director of Finance, to provide funds
26 for the reimbursement of counties for the cost of
27 holding parole violators in local jails or for the auditing
28 or monitoring of local assistance costs.

- 29 3. The amounts appropriated in Schedules (2) and (3)
30 are provided for the following purposes:

- 31 (a) To pay the transportation costs of persons commit-
32 ted to the Department of Corrections and Rehabil-
33 itation to or between its facilities, including the
34 return of parole violators, provided that expendi-
35 tures made under this item shall be charged to ei-
36 ther the fiscal year in which the claim is received
37 by the Controller or the fiscal year in which the
38 warrant is issued by the Controller. However,
39 claims shall be filed by local jurisdictions within

1 six months after the end of the month in which
 2 the costs are incurred.

- 3 (b) To reimburse counties, pursuant to Section 1776
 4 of the Welfare and Institutions Code, for the cost
 5 of the detention of the Department of Corrections
 6 and Rehabilitation parolees who are detained on
 7 alleged parole violations, provided that expendi-
 8 tures made under this item shall be charged to ei-
 9 ther the fiscal year in which the claim is received
 10 by the Controller or the fiscal year in which the
 11 warrant is issued by the Controller. However,
 12 claims shall be filed by local jurisdictions within
 13 six months after the end of the month in which
 14 the costs are incurred.

15
 16 *SEC. 27. Item 6440-001-0001 of Section 2.00 of the Budget*
 17 *Act of 2008 is amended to read:*

18
 19 6440-001-0001—For support of University of California..... ~~2,995,520,000~~
 20 ~~2,930,023,000~~

21 Schedule:

22 (1) Support..... 3,118,116,000
 23 (2) Charles R. Drew Medical Program..... 8,738,000
 24 (3) Acquired Immune Deficiency Syndrome
 25 (AIDS) Research..... 9,214,000
 26 (4) Student Financial Aid..... 52,199,000
 27 (5) Loan Repayments..... 5,105,000
 28 (6) San Diego Supercomputer Center..... 3,240,000
 29 (8) Unallocated Reduction..... ~~−201,092,000~~
 30 ~~−266,589,000~~

31 Provisions:

- 32 1. The appropriations made in this item are exempt from
 33 Section 31.00.
 34 2. None of the funds appropriated in this item may be
 35 expended to initiate major capital outlay projects by
 36 contract without prior legislative approval, except for
 37 cogeneration and energy conservation projects. Funds
 38 appropriated in this item may be used for capital ex-
 39 penditures as well as payment of debt service for such
 40 exempted capital projects. Exempted projects shall be

1 reported in a manner consistent with the reporting
2 procedures in subdivision (e) of Section 28.00.

3 Funds appropriated in this item may be used for
4 capital expenditures as well as payment of debt service
5 associated with the Energy Partnership Program,
6 whereby the University of California will receive fi-
7 nancial incentives from state investor-owned utilities
8 to undertake energy conservation projects. The use of
9 state operations funding for these energy savings pro-
10 jects may not infringe on the university's funding for
11 its instructional support activities. The Director of Fi-
12 nance may authorize program expenditures for the list
13 of planned projects not sooner than 30 days after noti-
14 fication in writing is provided to the chairpersons of
15 the committees in each house of the Legislature that
16 consider appropriations, the chairpersons of the com-
17 mittees and the appropriate subcommittees in each
18 house of the Legislature that consider the State Budget,
19 and the Chairperson of the Joint Legislative Budget
20 Committee. The list of planned projects submitted for
21 approval for a given funding cycle should be all-inclu-
22 sive and may include projects that eventually may not
23 be initiated during that funding cycle. A project not
24 included on the list of planned projects for that funding
25 cycle, but with which the university wishes to proceed
26 during the budget year, may be treated as an exempted
27 project as described above and reported in a manner
28 consistent with the reporting procedures in subdivision
29 (e) of Section 28.00. No later than November 15 of
30 each year, the university shall prepare a report describ-
31 ing the identified projects funded under the Energy
32 Partnership Program in the prior year. The report shall
33 include the cost of each project, how the cost is being
34 funded, including the amount funded from support
35 budget funds and investor-owned utility incentive
36 awards, and the projected amount of energy savings.
37 These reports will sunset at the end of the program.

- 38 3. The funds appropriated in Schedule (2) are for support
39 of University of California programs of clinical health
40 sciences education, research, and public service, con-

ducted in conjunction with the Charles R. Drew University of Medicine and Science, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973. Of the funds appropriated, \$500,000 is contingent upon the provision by the University of California of an equal amount of matching funds from its own resources. The University of California shall ensure by adequate controls that funds appropriated in Schedule (2) are expended solely for the support of the program identified in that schedule.

4. The funds appropriated in Schedule (4) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology.
5. Of the funds appropriated in Schedule (1), \$2,762,129 is for payment of energy service contracts in connection with the issuance of State Public Works Board Energy Efficiency Revenue Bonds.
6. Of the funds appropriated in Schedule (5), \$2,700,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1994–95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2009–10 fiscal year.
7. Of the funds appropriated in Schedule (5), \$2,405,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2010–11 fiscal year.
8. Of the funds appropriated in Schedule (1), \$1,897,200 is for the California State Summer School for Mathematics and Science (COSMOS). The University of California shall report on the outcomes and effectiveness of COSMOS every five years, commencing April 1, 2011.
9. The University of California (UC) shall report to the Legislature and the Governor by February 1 of each year on its progress toward increasing the quality and

supply of science and mathematics teachers resulting from implementation of the Science and Math Teacher Initiative. This report shall include the following information: (a) annual number of mathematics and science teachers awarded credentials (by each UC campus) beginning with the 2004–05 academic year (before the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative’s different components and activities, including an identification of best practices, and (d) the job placement of students who earn a mathematics or science teaching credential, including the location of the K–12 school of employment and whether it is in an urban, rural, or suburban setting.

10. The University of California shall report to the Legislature by March 15, 2009, on whether it has met its 2008–09 academic year enrollment goal.
11. Of the funds appropriated in Schedule (1), \$1,050,000 is to support 70 full-time equivalent students in the Program in Medical Education (PRIME) at the Irvine, Davis, San Diego, and San Francisco campuses. The primary purpose of this program is to train physicians specifically to serve in underrepresented communities. The University of California shall report to the Legislature by March 15, 2009, on (a) its progress in implementing the PRIME program and (b) the use of the total funds provided for this program from both state and nonstate resources.
12. The university shall report to the Legislature and the Governor by May 1, 2009, on the total enrollment in the 2007–08 and 2008–09 academic years in the entry-level clinical and master’s degree nursing programs and the master’s of science nursing degree programs.
13. It is the intent of the Legislature that the University of California submit an annual report by March 1 of each year through the 2010–11 fiscal year to the Joint Legislative Budget Committee, legislative fiscal subcommittees, and the Department of Finance on the university’s progress in reforming its compensation policies

and practices, reflecting the criteria specified in Provision 27 of Item 6440-001-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

14. Of the funds appropriated in Schedule (1), \$19,300,000 is for student academic preparation and education programs (SAPEP) and is to be matched with \$12,000,000 from existing university resources, for a total of \$31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for SAPEP by September 1 of each year.
15. The amount appropriated in Schedule (1) reflects a reduction of \$32,300,000 to institutional support.
17. Of the funds appropriated in Schedule (1), \$693,000 is for the Welfare Policy Research Project, pursuant to Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.
18. Of the funds appropriated in Schedule (1), \$427,500 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.
19. Of the funds appropriated in Schedule (1), \$346,500 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.
20. Of the funds appropriated in Schedule (1), \$16,200,000 is for substance abuse research at the Department of Neurology at the University of California, San Francisco.
21. Of the funds appropriated in Schedule (1), \$693,000 shall be used for lupus research at the University of California, San Francisco.
22. Of the funds appropriated in Schedule (1), \$1,385,100 shall be used to expand spinal cord injury research.
23. Of the funds appropriated in Schedule (1), \$3,463,000 is to fund the Medical Investigation of Neurodevelop-

ment Disorders (MIND) Institute, including \$3,150,000 for a research grants program.

24. Of the funds appropriated in Schedule (1), \$0 is to support research on labor and employment and labor education throughout the University of California system.

25. The amount appropriated in this item reflects a \$5,000,000 one-time reduction to the Subject Matter Projects. An identical amount is appropriated in Item 6110-195-0890 from federal Title II carryover funds to ensure the projects can be maintained in the 2008–09 fiscal year.

26. To the extent funds are available in Schedule (1), and contingent upon the receipt of an equal amount of private sector matching funds, the University of California shall allocate funds for the California Institute for Quantitative Biosciences for the purpose of enhancing innovative, cost-effective technologies and therapies in health care.

SEC. 28. Item 6600-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6600-001-0001—For support of Hastings College of the Law....	10,631,000
	<i>10,229,000</i>

Provisions:

1. The appropriation made in this item is exempt from Section 31.00.
2. The amount appropriated in this item reflects a 10-percent reduction to institutional support.

SEC. 29. Item 6610-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6610-001-0001—For support of California State University.....	2,910,596,000
	<i>2,844,364,000</i>

Schedule:

(1) Support.....	3,082,555,000
------------------	---------------

1	(2) Unallocated Reduction.....	—171,959,000
2		—238,191,000
3	Provisions:	
4	1. The appropriations made in this item are exempt from	
5	Section 31.00, except as otherwise provided by the	
6	applicable sections of the Government Code referred	
7	to in Section 31.00.	
8	2. Of the amount appropriated in this item, \$350,000 is	
9	for transfer to the Affordable Student Housing Revolv-	
10	ing Fund for the purpose of subsidizing interest costs	
11	in connection with bond financing for construction of	
12	affordable student housing at the Fullerton and Hay-	
13	ward campuses in accordance with Article 3 (commenc-	
14	ing with Section 90085) of Chapter 8 of Part 55 of	
15	Division 8 of Title 3 of the Education Code.	
16	3. Of the amount appropriated in this item, \$1,878,000	
17	is for repayment of the \$17,000,000 financed for the	
18	California State University through a third party for	
19	deferred maintenance projects in the 1994–95 fiscal	
20	year. It is the intent of the Legislature to annually	
21	provide funds for that repayment purpose until June	
22	30, 2010.	
23	4. Of the amount appropriated in this item, \$2,309,000	
24	is for repayment of the \$24,000,000 financed for the	
25	California State University through a third party for	
26	deferred maintenance projects in the 1995–96 fiscal	
27	year. It is the intent of the Legislature to annually	
28	provide funds for that repayment purpose until June	
29	30, 2011.	
30	5. The California State University (CSU) shall report to	
31	the Legislature and the Governor by February 1 of	
32	each year on its progress toward increasing the quality	
33	and supply of science and mathematics teachers result-	
34	ing from implementation of the Science and Math	
35	Teacher Initiative. This report shall include the follow-	
36	ing information: (a) annual number of mathematics	
37	and science teachers awarded credentials (by each	
38	CSU campus) beginning with the 2004–05 academic	
39	year (before the state first provided funding for the	
40	initiative), (b) an expenditure plan on the use of the	

1 funds appropriated in this item, (c) the effectiveness
2 of the initiative's different components and activities,
3 including an identification of best practices, and (d)
4 the job placement of students who earn a math or sci-
5 ence teaching credential, including the location of the
6 K-12 school of employment and whether it is in an
7 urban, rural, or suburban setting.

8 6. The California State University shall provide a prelim-
9 inary report to the Legislature by March 15, 2009, and
10 a final report by May 1, 2009, on whether it has met
11 its 2008-09 academic year enrollment goal.

12 7. The California State University shall report to the
13 Legislature and the Governor by May 1, 2009, on the
14 total enrollment in the 2007-08 and 2008-09 academic
15 years in the baccalaureate nursing degree and entry-
16 level master's nursing degree programs.

17 8. The amount appropriated in Schedule (1) reflects a
18 reduction of \$43,199,000 to institutional support.

19 9. Of the amount appropriated in this item, \$33,785,000
20 is provided for student financial aid grants. These fi-
21 nancial aid funds shall be provided to needy students
22 according to the nationally accepted needs analysis
23 methodology.

24 10. Of the amount appropriated in Schedule (1),
25 \$52,000,000 is appropriated for student academic
26 preparation and student support services programs.
27 The California State University shall provide
28 \$45,000,000 to support the Early Academic Assess-
29 ment Program and the Educational Opportunity Pro-
30 gram.

31
32 *SEC. 30. Item 6610-002-0001 of Section 2.00 of the Budget*
33 *Act of 2008 is amended to read:*

6610-002-0001—For support of the California State University
for transfer to and in augmentation of Item 6610-001-0001,
for the purpose of providing direct costs and administrative
overhead expenses for the Assembly, Senate, Executive,
and Judicial Fellows programs and the Center for California
Studies..... 3,111,000
3,040,000

Schedule:

(1) Center for California Studies—Fellows
Program..... 602,000
(2) Center for California Studies— Other.... 37,000
(3) Assembly Fellows..... 565,287
(4) Senate Fellows..... 565,287
(5) Executive Fellows..... 565,287
(6) Judicial Fellows..... 402,139
(7) LegiSchool Project..... 114,000
(8) Sacramento Semester Internship Pro-
gram..... 56,000
(9) Unscheduled..... 328,000
(10) Unallocated Reduction..... -124,000
-195,000

*SEC. 31. Item 8120-013-0268 is added to Section 2.00 of the
Budget Act of 2008 to read:*

8120-013-0268—For transfer by the Controller, upon order of
the Director of Finance, from the Peace Officers' Training
Fund, to the General Fund..... (5,000,000)
Provisions:

1. The amount transferred in this item is a loan to the
General Fund and shall be repaid by December 31,
2010. This loan shall be repaid with interest calculated
at the rate earned by the Pooled Money Investment
Account at the time of the transfer. Repayment shall
be made so as to ensure that the programs supported
by the Peace Officers' Training Fund are not adversely
affected.

*SEC. 32. Item 8660-011-0470 of Section 2.00 of the Budget
Act of 2008 is amended to read:*

8660-011-0470—For transfer by the Controller from the California High-Cost Fund-B Administrative Committee Fund to the General Fund..... (35,000,000)
(75,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the California High-Cost Fund-B Administrative Committee Fund are not adversely affected by the loan.

SEC. 33. Item 8660-011-0471 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-011-0471—For transfer by the Controller from the Universal Lifeline Telephone Service Trust Administrative Committee Fund to the General Fund..... (30,000,000)
(45,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the Universal Lifeline Telephone Service Trust Administrative Committee Fund are not adversely affected by the loan.

SEC. 34. Item 8660-011-0483 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-011-0483—For transfer by the Controller from the Deaf and Disabled Telecommunications Program Administrative Committee Fund to the General Fund..... (85,000,000)
(30,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the Deaf and Disabled

1 Telecommunications Program Administrative Commit-
 2 tee Fund are not adversely affected by the loan.

3
 4 *SEC. 35. Item 9210-101-0001 of Section 2.00 of the Budget*
 5 *Act of 2008 is amended to read:*

6
 7 9210-101-0001—For local assistance, Local Government Fi-
 8 nancing..... 214,200,000
 9 124,950,000

10 Provisions:

- 11 1. For allocation by the Controller to local jurisdictions
 12 for public safety as determined by the Director of Fi-
 13 nance pursuant to Chapter 6.7 (commencing with
 14 Section 30061) of Division 3 of Title 3 of the Govern-
 15 ment Code.
- 16 2. Notwithstanding any other provision of law, the funds
 17 appropriated in this item shall be available for expen-
 18 diture until June 30, 2010. These funds shall be used
 19 to supplement and not supplant existing services.

20
 21 *SEC. 36. Section 3.90 is added to the Budget Act of 2008, to*
 22 *read:*

23 *Sec. 3.90. (a) Notwithstanding any other provision of this act,*
 24 *each item of appropriation in this act, with the exception of those*
 25 *items for the California State University, the University of*
 26 *California, Hastings College of the Law, the Legislature (including*
 27 *the Legislative Counsel Bureau), and the judicial branch, shall be*
 28 *reduced, as appropriate, to reflect a reduction in employee*
 29 *compensation achieved through the collective bargaining process*
 30 *for represented employees or through existing administration*
 31 *authority and a proportionate reduction for nonrepresented*
 32 *employees (utilizing existing authority of the administration to*
 33 *adjust compensation for nonrepresented employees) in the total*
 34 *amounts of \$385,762,000 from General Fund items and*
 35 *\$285,196,000 from items relating to other funds. It is the intent of*
 36 *the Legislature that General Fund savings of \$1,024,326,000 and*
 37 *other fund savings of \$688,375,000 in the 2009–10 fiscal year*
 38 *shall be achieved in the same manner described above. The*
 39 *Director of Finance shall allocate the necessary reduction to each*

1 *item of appropriation to accomplish the employee compensation*
2 *reductions required by this section.*

3 *(b) The Department of Personnel Administration shall transmit*
4 *proposed memoranda of understanding to the Legislature promptly*
5 *and shall include with each such transmission estimated savings*
6 *pursuant to this section of each agreement.*

7 *(c) Nothing in this section shall change or supersede the*
8 *provisions of the Ralph C. Dills Act (Chapter 10.3 (commencing*
9 *with Section 3512) of Division 4 of Title 1 of the Government*
10 *Code).*

11 *SEC. 37. Section 8.25 is added to the Budget Act of 2008, to*
12 *read:*

13 *Sec. 8.25. (a) Any amounts received in the 2008–09 and*
14 *2009–10 fiscal years from the federal government as part of an*
15 *economic stimulus or similar legislation shall be deposited in the*
16 *Federal Trust Fund. Notwithstanding Section 28.00, the*
17 *Department of Finance may authorize expenditure of these funds*
18 *in a manner consistent with federal law and that offsets General*
19 *Fund expenditures otherwise authorized in this act. The Director*
20 *of Finance is authorized to reduce any General Fund items of*
21 *appropriations due to the receipt and expenditure of these federal*
22 *funds.*

23 *(b) For any adjustments made under the authority of this section,*
24 *the Department of Finance shall provide notification in writing to*
25 *the Chairperson of the Joint Legislative Budget Committee not*
26 *less than 30 days prior to the effective date of the adjustment, or*
27 *not sooner than whatever lesser time the chairperson of the joint*
28 *committee, or his or her designee, may in each instance determine.*
29 *The notification to the chairperson of the joint committee shall*
30 *include, at a minimum, the amounts of the proposed appropriation*
31 *adjustments, a description of any assumptions used in making the*
32 *adjustments, and the relevant federal authority.*

33 *SEC. 38. Section 28.00 of the Budget Act of 2008 is amended*
34 *to read:*

35 *Sec. 28.00. (a) It is the intent of the Legislature in enacting*
36 *this section to provide flexibility for administrative approval of*
37 *augmentations for the expenditure of unanticipated federal funds*
38 *or other nonstate funds in cases that meet the criteria set forth in*
39 *this section. However, this section does not provide an alternative*
40 *budget process, and proposals for additional spending ordinarily*

1 should be considered in the annual State Budget or other state
2 legislation. Specifically, augmentations for items which the
3 administration had knowledge to include in its 2008–09 budget
4 plan should not be submitted through the process provided by this
5 section. Augmentations for items which can be deferred to 2009–10
6 should be included in the administration’s 2009–10 budget
7 proposals.

8 (b) The Director of Finance may authorize the augmentation of
9 the amount available for expenditure for any program, project, or
10 function in the schedule of any appropriation in this act or any
11 additional program, project, or function equal to the amount of
12 any additional, unanticipated funds that he or she estimates will
13 be received by the state during the 2008–09 fiscal year from any
14 agency of local government or the federal government, or from
15 any other nonstate source, provided that the additional funding
16 meets all of the following requirements:

17 (1) The funds will be expended for a purpose that is consistent
18 with state law.

19 (2) The funds are made available to the state under conditions
20 permitting their use only for a specified purpose, and the additional
21 expenditure proposed under this section would apply to that
22 specified funding purpose.

23 (3) Acceptance of the additional funding does not impose on
24 the state any requirement to commit or expend new state funds for
25 any program or purpose.

26 (4) The need exists to expend the additional funding during the
27 2008–09 fiscal year.

28 (c) In order to receive consideration for an augmentation, an
29 agency shall either (1) notify the director within 45 days of
30 receiving official notice of the availability of additional,
31 unanticipated funds, or (2) explain in writing to the director why
32 that notification was infeasible or impractical. In either case, the
33 recipient agency shall provide the director a copy of the official
34 notice of fund availability.

35 (d) The director also may reduce any program, project, or
36 function whenever he or she determines that funds to be received
37 will be less than the amount taken into consideration in the
38 schedule.

39 (e) Any augmentation or reduction that exceeds either (1)
40 \$400,000 or (2) 10 percent of the amount available for expenditure

in the affected program, project, or function may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees, and the appropriate subcommittees, in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. With regard to any proposed augmentation, the notification shall state the basis for the determination by the director that the augmentation meets each of the requirements set forth in subdivisions (b) and (c). This notification shall include the date that the recipient department received official notice of the additional funds, and a copy of the agency's written explanation if a 45-day notice was not provided to the director. This notification requirement does not apply to federal funds related to caseload increases in Medi-Cal, California Work Opportunity and Responsibility to Kids (CalWORKs), and Supplemental Security Income/State Supplementary Program (SSI/SSP).

(f) Any personnel action that is dependent on funds subject to this section shall not be effective until after the provisions of this section have been complied with. Any authorization made pursuant to this section shall remain in effect for the period the director may determine in each instance, but in no event after June 30, 2009.

(g) Any federal funds received as a result of federal legislation enacted after January 1, 2009, shall be deemed unanticipated for the purposes of this section.

SEC. 39. Section 35.10 is added to the Budget Act of 2008, to read:

Sec. 35.10. (a) For purposes of subdivision (d) of Section 13308 of the Government Code, the Director of Finance shall provide to the Legislature, on June 8, 2009, or six calendar days after the next statewide election, whichever is later, instead of May 14, 2009, all of the following: (a) an estimate of General Fund revenues for the 2008–09 and 2009–10 fiscal years, (b) any proposals to reduce expenditures to reflect updated revenue estimates, and (c) all proposed adjustments that are necessary to reflect updated estimates of state funding required pursuant to

1 Section 8 of Article XVI of the California Constitution, or to reflect
2 caseload enrollment or population changes.

3 SEC. 40. This act addresses the fiscal emergency declared by
4 the Governor by proclamation on December 19, 2008, pursuant
5 to subdivision (f) of Section 10 of Article IV of the California
6 Constitution.

7 SEC. 41. This act is an urgency statute necessary for the
8 immediate preservation of the public peace, health, or safety within
9 the meaning of Article IV of the Constitution and shall go into
10 immediate effect. The facts constituting the necessity are:

11 In order that necessary adjustments by this act to the
12 appropriations in the Budget Act of 2003 and the Budget Act of
13 2008 for support of state government for the 2008–09 fiscal year
14 be made as soon as possible, to address the fiscal emergency
15 declared by the Governor, it is necessary that this act take effect
16 immediately.

17 SECTION 1. It is the intent of the Legislature to make statutory
18 changes relating to the Budget Act of 2008.

19 SEC. 2. This act addresses the fiscal emergency declared by
20 the Governor by proclamation on December 19, 2008, pursuant
21 to subdivision (f) of Section 10 of Article IV of the California
22 Constitution.